

REDACTED

DIRECT TESTIMONY

of

BURMA C. JONES

Accountant
Accounting Department
Financial Analysis Division
Illinois Commerce Commission

Illinois Power Company

2001 Purchased Gas Adjustment Reconciliation

Docket No. 01-0701

July 3, 2002

1 Witness Identification

2 Q. Please state your name and business address.

3
4 A. My name is Burma C. Jones. My business address is 527 East Capitol Avenue,
5 Springfield, Illinois 62701.

6
7 Q. By whom are you employed and in what capacity?

8
9 A. I am currently employed as an Accountant in the Accounting Department of the
10 Financial Analysis Division of the Illinois Commerce Commission ("ICC" or
11 "Commission").

12
13 Q. Please describe your background and professional affiliation.

14
15 A. I am a licensed Certified Public Accountant with a Bachelor of Arts in
16 Accountancy from Sangamon State University (now known as the University of
17 Illinois at Springfield.) I joined the Staff of the Illinois Commerce Commission
18 ("Staff") in October 1999. My prior accounting experience includes five years as
19 the Assistant Controller for a mid-size retail business and two and a half years on
20 the accounting staff of the Illinois Office of the Comptroller.

21
22 Q. Have you previously testified before any regulatory bodies?

24 A. Yes. I have testified on several occasions before the Commission.

25

26 Purpose of Testimony

27 Q. What is the purpose of your testimony in this proceeding?

28

29 A. The purpose of my testimony is to report the results of my review of Illinois Power
30 Company's ("IP" or "Company") Purchased Gas Adjustment ("PGA")
31 Reconciliation as calculated by Company witness Gary J. Murphy on IP Exhibit
32 1.1, Page 1 of 5, and the underlying documents that support the calculations. I
33 also reviewed costs and revenues submitted pursuant to Rider H, Adjustment for
34 Pipeline Transition Surcharge.

35

36 Q. Are you sponsoring any schedules as part of Staff Exhibit 1.00?

37

38 A. Yes. I prepared the following schedules for the Company, which show data for
39 the reconciliation year ending December 31, 2001:

40 Schedule 1.01 - PGA Reconciliation Summary

41 Schedule 1.02 - Allocation of Staff Adjustments to Gas Costs

42

43 RESULTS OF THE PGA REVIEW

44 Q. Please explain ICC Staff Exhibit 1.00, Schedule 1.01, Illinois Power Company
45 PGA Reconciliation Summary.

46

A. Schedule 1.01 reflects a summary of the Staff proposed 2001 PGA reconciliations. Line 14 reflects the net effect of all adjustments to each reconciliation and the resulting Factor O. Staff is proposing refunds through Factor O as follows: \$ x,xxx – Rider A Commodity; \$ x,xxx – Rider B Demand; and \$ x,xxx – Rider B Commodity.

Q. Please explain ICC Staff Exhibit 1.00, Schedule 1.02, Allocation of Staff Adjustments to Gas Costs.

A. Schedule 1.02 shows how the adjustments proposed by Staff will be allocated under the three Riders in the Company's PGA Clause. Staff is proposing adjustments to the Company's 2001 PGA recoverable gas costs in the following areas:

1. Delayed Payment Interest;
2. Propane;
3. Shanghai Storage; and
4. City Gate Contract.

Q. Please explain the adjustment for Delayed Payment Interest on line 1 of Schedule 1.02.

A. I propose that delayed payment interest charges of \$1,575 be removed from recoverable costs for 2001. The charges were incurred when various pipeline

70 invoices were not paid in a timely manner. Ratepayers should not have to pay
71 for avoidable costs; shareholders should bear responsibility for late payment
72 charges.

73
74 Q. Please explain the Propane adjustments on lines 3-4 of Schedule 1.02.

75
76 A. The Propane adjustments on lines 3-4 are sponsored by Staff witness Eric
77 Lounsberry and are explained in his testimony at ICC Staff Exhibit 2.00.

78
79 Q. Please explain the Shanghai Storage adjustments on lines 6-7 of Schedule 1.02.

80
81 A. The Shanghai Storage adjustments on lines 6-7 are sponsored by Staff witness
82 Eric Lounsberry at ICC Staff Exhibit 2.00.

83
84 Q. Please explain the City Gate Contract adjustment on line 8 of Schedule 1.02.

85
86 A. The City Gate Contract adjustment on line 8 is sponsored by Staff witness Eric
87 Lounsberry at ICC Staff Exhibit 2.00.

88
89 RESULTS OF THE PIPELINE TRANSITION SURCHARGE REVIEW

90 Q. Do you recommend any adjustments to IP's Pipeline Transition Surcharge filing
91 as a result of your review?

93 A. No, I do not.

94

95 Summary

96 Q. Please summarize your recommendations.

97

98 A. I recommend that the Commission accept the PGA reconciliation for Illinois
99 Power Company as reflected on Staff Exhibit 1.00, Schedule 1.01, page 1 of 4,
100 and the Pipeline Transition Surcharge reconciliation as reflected on IP Exhibit
101 2.4, page 1 of 6.

102

103 I also recommend that the Company implement Factor O refunds of \$ x,xxx for
104 Rider A, \$ x,xxx for Rider B Demand, and \$ x,xxx for Rider B Commodity as
105 shown on Staff Exhibit 1.00, Schedule 1.01, page 1 of 4, in the first monthly PGA
106 filing after the date of the Order in this docket.

107

108 Conclusion

109 Q. Does this question end your prepared direct testimony?

110

111 A. Yes.

**Redacted
Illinois Power Company
PGA Reconciliation Summary
for the Year Ended December 31, 2001**

Line No.	Description	Rider A	Rider B Demand	Rider B Commodity	Total Company (C+D+E)
(A)	(B)	(C)	(D)	(E)	(F)
1	Unamortized balance as of 12/31/00 per 2000 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	Factor A Adjustments Amortized to Schedule I at 12/31/00	-	-	-	-
3	Factor O Collected / (Refunded) during 2001	-	-	-	-
4	Balance to be Collected / (Refunded) during 2001 from prior periods (sum of lines 1 - 3)	\$ -	\$ -	\$ -	\$ -
5	2001 Gas Costs	\$ -	\$ -	\$ -	\$ -
6	2001 PGA Revenues	-	-	-	-
7	Pipeline Surcharges / (Refunds)	-	-	-	-
8	Other Adjustments	-	-	-	-
9	Interest at 6%/2%	-	-	-	-
10	2001 Under / (Over)-Recovery (sum of lines 5 - 9)	\$ -	\$ -	\$ -	\$ -
11	Under / (Over)-Recovery for Reconciliation Year	\$ -	\$ -	\$ -	\$ -
12	Factor A Adjustments Amortized to Schedule I at 12/31/01	\$ -	\$ -	\$ -	\$ -
13	Unamortized Balances, End of 2001 Reconciliation Year	\$ -	\$ -	\$ -	\$ -
14	Requested Factor O Recovery/(Refund) (line 11 - line 12 - line 13)	\$ -	\$ -	\$ -	\$ -

Source:

Col. C ICC Staff Exhibit 1.00, Schedule 1.01, Page 2, Col. E
Col. D ICC Staff Exhibit 1.00, Schedule 1.01, Page 3, Col. E
Col. E ICC Staff Exhibit 1.00, Schedule 1.01, Page 4, Col. E

**Redacted
Illinois Power Company
PGA Reconciliation Summary
for the Year Ended December 31, 2001**

Line No.	Description	Rider A As Filed (C)	Staff Adjustment (D)	Staff Revised (C+D) (E)
(A)	(B)	(C)	(D)	(E)
1	Unamortized balance as of 12/31/00 per 2000 Reconciliation	\$ -		\$ -
2	Factor A Adjustments Amortized to Schedule I at 12/31/00	-		-
3	Factor O Collected / (Refunded) during 2001	-		-
4	Balance to be Collected / (Refunded) during 2001 from prior periods (sum of lines 1 - 3)	\$ -		\$ -
5	2001 Gas Costs	\$ -	\$ -	\$ -
6	2001 PGA Revenues	-		-
7	Pipeline Surcharges / (Refunds)	-		-
8	Other Adjustments	-		-
9	Interest at 6%/2%	-		-
10	2001 Under / (Over)-Recovery (sum of lines 5 -9)	\$ -		\$ -
11	Under / (Over)-Recovery for Reconciliation Year	\$ -		\$ -
12	Factor A Adjustments Amortized to Schedule I at 12/31/01	\$ -		\$ -
13	Unamortized Balances, End of 2001 Reconciliation Year	\$ -		\$ -
14	Requested Factor O Recovery/(Refund) (line 11 - line 12 - line 13)	\$ -	\$ -	\$ -

Source:

Col. C Company Exhibit 2.2, Page 1 of 5
Col. D ICC Staff Exhibit 1.00, Schedule 1.02, Line 9, Col. D

**Redacted
Illinois Power Company
PGA Reconciliation Summary
for the Year Ended December 31, 2001**

Line No.	Description	Rider B Demand As Filed	Staff Adjustment	Staff Revised (C+D)
(A)	(B)	(C)	(D)	(E)
1	Unamortized balance as of 12/31/00 per 2000 Reconciliation	\$ -		\$ -
2	Factor A Adjustments Amortized to Schedule I at 12/31/00	-		-
3	Factor O Collected / (Refunded) during 2001	-		-
4	Balance to be Collected / (Refunded) during 2001 from prior periods (sum of lines 1 - 3)	\$ -		\$ -
5	2001 Gas Costs	\$ -	\$ -	\$ -
6	2001 PGA Revenues	-		-
7	Pipeline Surcharges / (Refunds)	-		-
8	Other Adjustments	-		-
9	Interest at 6%/2%	-		-
10	2001 Under / (Over)-Recovery (sum of lines 5 -9)	\$ -		\$ -
11	Under / (Over)-Recovery for Reconciliation Year	\$ -		\$ -
12	Factor A Adjustments Amortized to Schedule I at 12/31/01	\$ -		\$ -
13	Unamortized Balances, End of 2001 Reconciliation Year	\$ -		\$ -
14	Requested Factor O Recovery/(Refund) (line 11 - line 12 - line 13)	\$ -	\$ -	\$ -

Source:

Col. C Company Exhibit 2.2, Page 1 of 5

Col. D ICC Staff Exhibit 1.00, Schedule 1.02, Line 9, Col. E

**Redacted
Illinois Power Company
PGA Reconciliation Summary
for the Year Ended December 31, 2001**

Line No.	Description	Rider B Commodity As Filed	Staff Adjustment	Staff Revised (C+D)
(A)	(B)	(C)	(D)	(E)
1	Unamortized balance as of 12/31/00 per 2000 Reconciliation	\$ -		\$ -
2	Factor A Adjustments Amortized to Schedule I at 12/31/00	-		-
3	Factor O Collected / (Refunded) during 2001	-		-
4	Balance to be Collected / (Refunded) during 2001 from prior periods (sum of lines 1 - 3)	\$ -		\$ -
5	2001 Gas Costs	\$ -	\$ -	\$ -
6	2001 PGA Revenues	-		-
7	Pipeline Surcharges / (Refunds)	-		-
8	Other Adjustments	-		-
9	Interest at 6%/2%	-		-
10	2001 Under / (Over)-Recovery (sum of lines 5 -9)	\$ -		\$ -
11	Under / (Over)-Recovery for Reconciliation Year	\$ -		\$ -
12	Factor A Adjustments Amortized to Schedule I at 12/31/01	\$ -		\$ -
13	Unamortized Balances, End of 2001 Reconciliation Year	\$ -		\$ -
14	Requested Factor O Recovery/(Refund) (line 11 - line 12 - line 13)	\$ -	\$ -	\$ -

Source:

Col. C Company Exhibit 2.2, Page 1 of 5
Col. D ICC Staff Exhibit 1.00, Schedule 1.02, Line 9, Col. F

Redacted
Illinois Power Company PGA Reconciliation
Allocation of Staff Adjustments to Gas Costs
for the Year Ended December 31, 2001

Line No.	Description	Staff Adjustment	Allocation		
			Rider A	Rider B Demand	Rider B Commodity
(A)	(B)	(C)	(D)	(E)	(F)
1	Delayed Payment Interest	\$ -	\$ -	\$ -	\$ -
2	Propane				
3	Firm Pipeline	-	-	-	
4	Reservation	-	-	-	
5	Shanghai Storage				
6	Firm Pipeline	-	-	-	
7	Reservation	-	-	-	
8	City Gate Contract	-	-		-
9	Total	\$ -	\$ -	\$ -	\$ -

Source:

Col. C, line 1
Col. C, lines 2-8
Col. D
Col. E, lines 3 & 6
Col. E, line 4 & 7
Col. F, line 1
Col. F, line 8

Company Response to Staff Date Request GS-3.b, page 2
ICC Staff Exhibit 2.00, Schedules 2.01, 2.02, and 2.03
Col. D = Col. C-Col. E-Col. F